GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1429
ANSWERED ON:24.07.2002
SICK SSIS
RAM TAHAL CHOUDHARY;RAMPAL SINGH;RATNA SINGH

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Government propose to review the guidelines for revial of sick small scale units keeping in view the increasing sickness in small scale industries;

(b) if so, the details thereof; and

(c) the amount of financial assistance provided to these sick small scale units by the Union Government during each of the last two years and current year?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE DEPARTMENT OF PERSONNEL AND TRAINING, DEPARTMENT OF PENSIONS AND PENSIONERS` WELFARE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SMT. VASUNDHARA RAJE)

(a) & (b): The Comprehensive Policy Package for the SSI Sector announced on 30th August, 2000 by the Prime Minister included drawing up revised guidelines for the rehabilitation of potentially viable sick SSI units. As a follow up, the RBI set up a Working Group under the Chairmanship of Shri S. S. Kohli, the then Chairman of Indian Banks` Association. Based on the recommendations of the Working Group, the RBI has drawn up revised guidelines for rehabilitation of sick Small Scale Industrial (SSI) units, which include inter-alia change in the definition of sick SSI units, norms for deciding on their viability, etc. The RBI has circulated the revised guidelines on 16th January, 2002 to all the Banks for implementation.

(c): The Union Government does not provide any financial assistance to the States / UTs for rehabilitation of sick small scale industries (SSIs). Financial assistance to SSIs including for the rehabilitation of sick SSIs, is provided in the country by the Primary Lending Institutions (PLIs) including the Commercial Banks. The Small Industries Development Bank of India (SIDBI) has, however, a refinance scheme for the PLIs in respect of financial assistance extended by them for rehabilitation of sick SSI units.